Task ID# 1687

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Kennecott Utah Copper
A member of the RIO TINTO Group

Rohan McGowan-Jackson
Manager, Health, Safety, Environment
& Sustainable Development

January 25, 2007

Ms. Susan White, Mining Program Coordinator
Minerals Reclamation Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Subject: Notice of Planned Bulk Flotation Process Upgrades at the Copperton Concentrator: DOGM Permit M/035/011

Dear Ms. White:

As per Utah Administrative Code R647-4-118, attached is a notice of intention to amend mining operations for permit number M/035/011 for the new bulk flotation project at the Copperton Concentrator. The project will involve replacement of existing rougher cleaner flotation cells with column cells and expansion of the existing flotation building to house mechanical rougher cells as well as construction of a new vertical tower rougher concentrate regrind mill building, a reagent storage area (RECO), a 100 ton ball bunker, a new compressor and blower area and motor control electrical center (MCC building). Starting the first week of February 2007, the concentrator will remove and demolish existing flotation cells and replace with new column flotation cells. Expansion of the existing flotation building for mechanical flotation cells as well as construction of new facilities is scheduled to begin during the second and third quarter 2007.

All expansions and new facilities will be constructed within the existing disturbed footprint, thus there will be no increase in newly disturbed land outside the current footprint. The addition of this facility is an insignificant change as it will not increase the amount of work required to vegetate the site and all costs associated with mobilization/demobilization of demolition equipment, utility isolation and engineering are already included in the existing reclamation surety bond.

A completed form MR-REV, a description of the planned changes, and an engineering drawing showing the location of planned changes has been included. An increase in the reclamation surety estimate for demolition of additional structures will be provided in the next five-year review of the reclamation surety estimate for M/035/011, due by October 22, 2008.

If you have any additional questions, would like to further review plans or request a tour of the Copperton Concentrator, please call me at 569-6356 or Vicky Peacey at 569-7118.

Sincerely,

R. McGowan-Jackson

Rohan McGowan-Jackson
Manager Health, Safety, Environment
& Sustainable Development

Attachments:

FORM MR-REV

PLANNED PROCESS UPGRADES AT THE COPPERTON CONCENTRATOR: BULK FLOTATION

PERMIT M/035/011

KENNECOTT UTAH COPPER CORPORATION

SUBMITTED TO
THE UTAH DIVISION OF OIL, GAS AND MINING
JANUARY 2007

I. GENERAL INFORMATION (R647-4-104)

Location of Proposed Activities:

There are no changes to the location of proposed activities.

Ownership of Land Surface:

There are no changes to ownership of land surface.

Ownership of Minerals:

There are no changes to ownership of minerals.

II. MAPS, DRAWINGS & PHOTOGRAPHS (R647-4-105)

Drawing 3330-C-101

Drawing 3330-C-101 is a map of the Copperton Concentrator showing expected locations of new facilities that are currently planned. This drawing is contained within Appendix 2 of this document and shows the following new facilities:

- Construction of a new vertical tower rougher concentrate regrind mill building that will regrind rougher concentrate and increase liberation of gangue minerals for improved copper recovery.
- Addition of a reagent (RECO) storage area
- Construction of a 100 ton ball bunker.
- Construction of a new compressor and blower area.
- Addition of a Mechanical Control Center (MCC) building to provide electrical.
- Extension of the flotation building to house new mechanical scavenger flotation cells.

Once construction has been completed a final as-built drawing will be submitted to the Division.

III. OPERATION PLAN (R647-4-106)

BACKGROUND

A pebble crushing circuit has been installed to increase capacity of the Copperton Concentrator from a nominal 138,000 short tons per day to 163,000 shot tons per day. The increase in capacity due to the pebble crusher will coarsen the grind of the particles going to the flotation circuit. This will reduce the residence time in the current flotation circuit and reduce copper recovery. In an effort to improve copper

recovery and improve process efficiency, KUCC intends to add a regrind mill and column flotation cells.

KUCC is providing notification on the installation of the regrind mill and column flotation cells. The addition of the new process will result in an overall improvement in copper recovery.

CURRENT OPERATION

Currently, coarse ore is delivered from the mine by a 5-mile-long conveyor system from the in-pit crusher to the covered ore stockpile located immediately west of the Copperton Concentrator. From the stockpile, ore is transported onto four parallel conveyors feeding into one of four SAG mills. The SAG mills grind the ore prior to sending it to one of two ball mills for further grinding before being sent to flotation for processing. Each SAG mill has a trommel screen attached to the discharge end of the mill. Trommel oversize is collected and conveyed to two Metso pebble crushers. After crushing, pebbles are transported along a feed conveyor to a surge bin. The material is then dropped to one of four variable belt conveyor systems that lead back into the SAG mill process. Ground ore is then sent to flotation to separate the ore material into metal bearing concentrate for further processing, and tailings for disposal.

PROPOSED ALTERATIONS

The proposed changes include construction of a regrind mill, two column flotation circuit modifications as well as expansion of the existing flotation building to house mechanical scavenger flotation cells. During construction, KUCC will also set aside space for a new reagent storage area (RECO), a 100 ton ball bunker, a new compressor and blower area and a motor control electrical center (MCC building). Drawing 3330-C-101 shows the location of the new facilities. The changes will occur inside and outside the existing flotation building and include the following:

Inside

- Conversion of five existing scavenger cleaner cells to seven 3,000 cubic foot rougher scavengers.
- Installation and over-hall of primary feed distribution ball mills which will provide increased operational flexibility.
- Replacement of existing rougher cleaner flotation cells with four new flotation columns to separate the reground concentrate.
- Replacement of the first scavenger and second cleaner flotation cells with two first cleaner columns and two second scavenger cleaner columns.
- Installation of 6 new 4500 cubic foot cleaner cells.

Outside

- Construction of a new vertical tower rougher concentrate regrind mill building that will regrind rougher concentrate and increase liberation of gangue

minerals for improved copper recovery. The regrind mill will operate as a closed circuit.

- Addition of a reagent (RECO) storage area
- Construction of a 100 ton ball bunker.
- Construction of a new compressor and blower area.
- Addition of a Mechanical Control Center (MCC) building to provide electrical.
- Extension of the flotation building to house new mechanical flotation cells.

IV. IMPACT ASSESSMENT (R647-4-109)

All facilities will be constructed within the existing disturbed footprint of the Copperton Concentrator, thus there will be no new disturbances due to the construction of above mentioned facilities. The new facilities will not have any additional surface or subsurface impacts to the following areas:

1. No potential impacts to state or federal threatened and endangered species or critical habitats. All work will be conducted within the existing disturbed footprint and there will be no increase in contaminants produced, in fact metal recoveries will increase, reducing metal content in downstream discharges.

2. There will be no additional impacts to surface or groundwater systems. The existing flotation plant is underlain with a concrete based with a number of sumps and trenches to collect and contain concentrate spills. The new mechanical flotation building will be constructed in the same manner. Trenches divert process material into sumps and the material is pumped back into the flotation process. Trenches and sumps in the flotation building are permitted under Table 2 of the Copperton Concentrator ground water discharge permit (UGW350017).

   The regrind mill will be constructed on the southwest corner of the existing flotation building. Although it is outside, the regrind mill will be affixed to a concrete base and surrounded by asphalt. Any concentrate spilled on asphalt outside the regrind mill will be collected and removed using a front end loader. The recovered material will be fed back into the flotation process.

   The regrind mill is an enclosed building, while the column cells and new mechanical flotation cells will be located inside an existing and new flotation building. Since both facilities are enclosed, concentrate will be protected from precipitation, making the risk of contact storm water or runoff negligible.

3. The bulk flotation project will not impact existing soil resources. All facilities will be constructed within the existing disturbed footprint of the Copperton Concentrator, thus there will be no new disturbances outside the existing footprint due to the construction of above mentioned facilities.

The bulk flotation project will not further impact public health or safety or air quality. All process facilities to be added are wet processes which will not increase the Concentrator Potential to emit air pollutants. Further, bulk flotation process equipment will remain within the limits of the Bingham Canyon Mine air quality approval order (DAQE-AN0571018-06).

Also, the bulk flotation project will not further degrade surface erosion or slope stability. The Copperton Concentrator is managed as a zero discharge facility where process materials and contact storm water are controlled via a network of collection and containment structures. Contact storm water in the vicinity of the regrind mill and flotation building is collected and channeled through utilizing a series of channels and piping to Retention Pond III. Retention Pond III is a clay-lined containment structure down gradient and south of the facility and is permitted under Table 2 of the Copperton Concentrator ground water discharge permit. The permit governs the operation and maintenance of this pond through visual inspections and removal of accumulated sediment, vegetation and ponded water.

4. KUCC believes there will be no additional impacts to mitigate due to the bulk flotation project. Once the facility has been closed and no longer operational, new buildings associated with this project will be demolished consistent with the reclamation plan for the Copperton Concentrator facility.

V. RECLAMATION PLAN (R647-4-110)

Drawing 3330-C-101

Other than the addition of facilities that will require demolition at closure, there will be no changes to the reclamation plan. The disturbed footprint will remain unchanged and thus the number of acres requiring revegetation will remain the same. An updated map of the Copperton Concentrator showing proposed locations for new facilities has been attached. A final as-built drawing of this facility will be submitted to DOGM once construction activities have been completed.

Appendix 2 contains a completed "Application for Mineral Mine Plan Revision or Amendment" form showing new items that should be added to M/035/011, Copperton Concentrator and Fourth Line permit files.

VI. VARIANCE (R647-4-112)

KUCC is not requesting a variance.

VII. SURETY (R647-4-113)

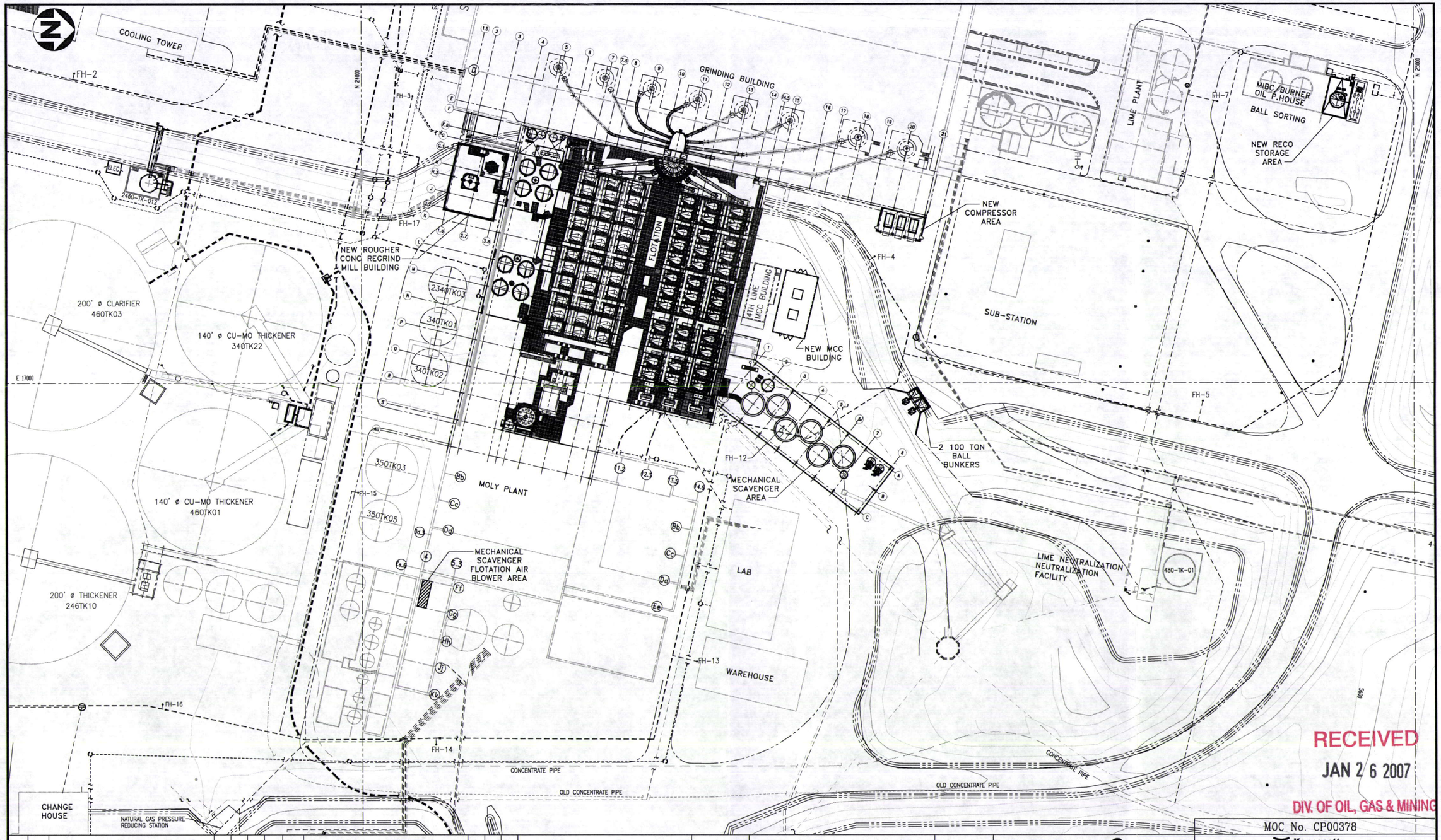
There will be a slight increase to the reclamation surety due to additional buildings that will require demolition at closure. An increase in the reclamation surety estimate for demolition of additional structures will be provided in the next five-year review of the reclamation surety estimate for M/035/011.

APPENDIX 1

Drawing 3330-C-101

KENNECOTT UTAH COPPER CORPORATION

SUBMITTED TO
THE UTAH DIVISION OF OIL, GAS AND MINING
JANUARY 2007



RECEIVED
JAN 26 2007
DIV. OF OIL, GAS & MINING

MOC No. CP00378

NO.	DATE	REVISION	BY	CHK	APP
B	01/19/07	ISSUED FOR BID – MOC CP00378	JAM		
A	01/05/06	ISSUED FOR REVIEW	JAM		

NO.	DATE	REVISION	BY	CHK	APP

REFERENCE DRAWINGS	NUMBER

REFERENCE DRAWINGS	NUMBER

amec

APPROVAL	DATE	SCALE: 1"= 40'	DATE
		DESIGNED BY JMILSTED	8/06/06
		DRAWN BY JMILSTED	8/06/06
		CHECKED BY	
		PROJECT ENGINEER	
		PROJECT MANAGER	

Kennecott Utah Copper
A member of the RIO TINTO Group

BULK FLOTATION UPGRADE OVERALL SITE PLAN

Job No. 153494 | Dwg. No. 3330-C-101 | REV B

APPENDIX 2

Application for Mineral Mine Plan Revision or Amendment; Copperton Concentrator Bulk Flotation Project

KENNECOTT UTAH COPPER CORPORATION

SUBMITTED TO
THE UTAH DIVISION OF OIL, GAS AND MINING
JANUARY 2007

Form MR-REV-att (DOGM – Revise/Amend Change Form)
(Revised September 14, 2005)

Application for Mineral Mine Plan Revision or Amendment

Operator: KENNECOTT UTAH COPPER

Mine Name: COPPERTON CONCENTRATOR **File Number:** M/ 035 / 011

Provide a detailed listing of all changes to the mining and reclamation plan that will be required as a result of this change. Individually list all maps and drawings that are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise or amend the existing Mining and Reclamation Plan. **Include page, section and drawing numbers as part of the description.**

DETAILED SCHEDULE OF CHANGES TO THE MINING AND RECLAMATION PLAN

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
X ADD	☐ REPLACE	☐ REMOVE	LETTER, COMPLETED FORM MR-REV AND DRAWING
☐ ADD	☐ REPLACE	☐ REMOVE	3330-C-101 TO THE APRIL 16, 1991 NOI FOR
☐ ADD	☐ REPLACE	☐ REMOVE	THE COPPERTON CONCENTRATOR. ONCE CONSTRUCTION
☐ ADD	☐ REPLACE	☐ REMOVE	IS COMPLETE A FINAL AS-BUILT SITE PLAN
☐ ADD	☐ REPLACE	☐ REMOVE	SHOWING EXISTING AND NEW FACILITIES
☐ ADD	☐ REPLACE	☐ REMOVE	WILL BE SUBMITTED. THE FINAL AS-BUILT
☐ ADD	☐ REPLACE	☐ REMOVE	DRAWING WILL REPLACE DRAWING NO.
☐ ADD	☐ REPLACE	☐ REMOVE	271-SKC-115 REV. C.
☐ ADD	☐ REPLACE	☐ REMOVE	
☐ ADD	☐ REPLACE	☐ REMOVE	
☐ ADD	☐ REPLACE	☐ REMOVE	
☐ ADD	☐ REPLACE	☐ REMOVE	
☐ ADD	☐ REPLACE	☐ REMOVE	

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments and obligations, herein.

ROHAN McGOWAN-JACKSON
Print Name

R McGowan-Jackson
Sign Name, Position

1/26/07
Date

Return to:

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Phone: (801) 538-5291 Fax: (801) 359-3940

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FOR DOGM USE ONLY:
File #: M/ /
Approved:
Bond Adjustment: from ($)
to $